

Message Text

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11
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PM-04 H-02 L-03 NSC-05 PA-01

PRS-01 SP-02 SS-15 USIA-06 IO-13 SAJ-01 ACDA-07 /092 W
----- 088960

R 021616Z DEC 76
FM USMISSION USBERLIN
TO SECSTATE WASHDC 3536
INFO AMEMBASSY BONN
AMEMBASSY MOSCOW

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E O 11652: NA
TAGS: EALR, ECON, ELAB, WB
SUBJ: BERLIN LABOR UNIONS MAKE PROPOSALS FOR CITY'S FUTURE

1. SUMMARY: THE BERLIN SECTION OF THE GERMAN TRADE UNION (DGB) HAS EVALUATED CITY'S ECONOMIC SITUATION AND MADE SUGGESTIONS FOR IMPROVEMENT IN THE ECONOMIC AND SOCIAL AREAS. NUMBER OF SUGGESTIONS ARE SIMILAR TO THOS OF BUSINESS COMMUNITY AND CITY GOVERNMENT, WHILE OTHERS REFLECT PARTICULAR INTERESTS OF LABOR. OF SPECIAL INTEREST TO ALLIES IS SUGGESTION THAT PROHIBITION ON "ARMAMENTS PRODUCTION" IN BERLIN BE RECONSIDERED IN CASES OF MATERIALS WHICH ALSO HAVE PEACETIME USE. THIS PROPOSAL HAS MET WITH CRITICISM FROM PRESS AND POLITICAL SIDE. END SUMMARY.

2. THE BERLIN DGB HAS ISSUED A 21-PAGE STUDY EVALUATING BERLIN ECONOMIC SITUATION, PARTICULARLY EMPLOYMENT ASPECTS, AND HAS MADE NUMEROUS PROPOSALS IN ECONOMIC, LABOR AND SOCIAL POLICY AREAS FOR CITY'S IMPROVEMENT. DGB NOTES ITS REMARKS ARE WITHIN PHILOSOPHICAL FRAMEWORK OF "THE MARKET ECONOMY TO THE EXTENT POSSIBLE; PLANNING TO THE EXTENT NECESSARY."

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IT DOES NOT ENDORSE A RECENT PROPOSAL BY A BERLIN SPD

GROUP THAT THE CITY BE TURNED INTO A "MODEL OF DEMOCRATIC SOCIALISM," A PROPOSAL ROUNDLY DENOUNCED BY MOST SECTORS OF BERLIN SOCIETY, BUT DEFENDS RIGHT TO FLOAT SUCH IDEAS.

3. DGB'S ECONOMIC ANALYSIS (WHICH MISSION FINDS SUPERFICIAL) IS HEAVILY FOCUSED ON DISAPPEARING JOBS IN INDUSTRY. STUDY CITES TRANSFER OF COMPANY HEADQUARTERS OUT OF BERLIN OVER PERIOD OF TIME, ALLEGES THAT ALLIED RESTRICTIONS (ON PRODUCTIONS OF CERTAIN TYPES OF GOODS) AND SOVIET PSYCHOLOGICAL PRESSURES HAVE GIVEN MANY LEADING COMPANIES AN EXCUSE FOR USING THEIR BERLIN FACILITIES AS A SORT OF PRODUCTION RESERVE TO BE SHUT DOWN DURING BAD TIMES (A PROPOSITION WHICH MISSION CANNOT SUPPORT). DGB NOTES THAT BERLIN, EVEN AS A RESERVE PRODUCTION FACILITY, PROFITED ALSO IN STRONG UPSWINGS IN FRG PRODUCTION FOLLOWING EARLIER RECESSIONS. HOWEVER, IN PRESENT CASE, RECOVERY IN FRG HAS BEEN WEAK AND THERE HAS BEEN NO NEED FOR BERLIN RESERVE CAPACITY TO BE UTILIZED.

4. DGB STUDY LAMENTS LOSS OF INDUSTRIAL JOBS IN BERLIN, NOTING THAT 23 PERCENT OF INDUSTRIAL JOBS (CHAMBER OF INDUSTRY AND COMMERCE CURRENTLY USES FIGURE OF 27 PERCENT) HAVE BEEN LOST SINCE 1970 AND THAT 34 PERCENT, OR MORE THAN 100,000 JOBS, HAVE DISAPPEARED SINCE 1960. STUDY NOTES THAT INDUSTRIAL JOBS HAVE DECLINED IN FRG BY ONLY 11.2 PERCENT SINCE 1970. DGB REGRETS, BUT TO LESSER DEGREE THAN CHAMBER OF COMMERCE, THE GROWING IMBALANCE BETWEEN PRIVATE AND PUBLIC SECTOR EMPLOYMENT IN BERLIN, BUT SEES NO SOLUTION IN PROPOSED TRANSFER OF SOME PUBLIC SERVICES TO PRIVATE SECTOR. DGB CALLS FOR DOUBLING OF THE CURRENT 20,000 APPRENTICE SLOTS BY 1982 AND FOR A RETHINKING OF SENAT'S HIGHER EDUCATION POLICY, SUGGESTING PRIORITY BE GIVEN TO VOCATIONAL TRAINING OVER UNIVERSITY EDUCATION. NOT SURPRISINGLY, THE DGB SEES FULL EMPLOYMENT AS THE HIGHEST GOAL OF POLICY, AND CALLS ON THE STATE TO PLAN AND GUIDE ECONOMIC ACTIVITY AS NECESSARY TO SUPPLEMENT THE MARKET IN REACHING THIS GOAL.

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5. DGB EMPHASIZED NEED FOR ADEQUATE ENERGY SUPPLY AND CALLED SENAT TO TASK FOR PAQAYING TOO MUCH ATTENTION TO CITIZEN OPPOSITION GROUPS "WHOSE VIEWS ARE MARKED BY EGOTISTIC DISPLAY AND ONE-SIDED THINKING." IT ALSO SAID USE OF ATOMIC ENERGY IN BERLIN SHOULD NOT BE EXCLUDED IF SECURITY AND DISPOSAL PROBLEMS CAN BE MANAGED.

6. UNION'S CONCRETE SUGGESTIONS ON THE ECONOMY ARE IN SEVERAL CASES CONVENTIONAL - STRENGTHENING OF BERLIN SUBSIDIES AND PREFERENCES, GREATER EFFORTS TO ATTRACT NEW INVESTMENT, EASING OF INDUSTRIAL LAND SITUATION, ENCOURAGEMENT OF R&D AND ENGINEERING AND CONSULTING SERVICES, TRANSFER OF ORGANIZATIONAL HEADQUARTERS TO BERLIN. THERE ARE ALSO SUGGESTIONS FOR ANALYSZING THE LABOR FORCE STRUCTURE, INCREASING TRAINING SLOTS, STABILIZING THE POPULATION, PREVENTING BUILDUP OF FOREIGN "GHETTOS" AND IMPROVING HOUSING.

7. IN ITS MOST CONTROVERSIAL PROPOSAL, THE DGB CALLS ON ALLIES, THE FRG AND THE SENAT TO RECONSIDER THE PROHIBITION ON ARMAMENTS PRODUCTION (ALLIED CONTROL COUNCIL LAW 43) TO SEE TO WHAT EXTENT GOODS WHICH HAVE BOTH A CIVIL AND MILITARY USE COULD BE PRODUCED IN BERLIN. THIS SUGGESTION HAS MET IMMEDIATE CRITICISM FROM TWO NEWSPAPERS AND THE LOCAL FDP, THE LATTER STATING THAT SUCH PRODUCTION COULD JEOPARDIZE FREIGHT ACCESS TO BERLIN. NO DOUBT OTHERS WILL BE WEIGHING IN WITH COMMENTS ON THIS UNFORTUNATE PROPOSAL. AS DEPARTMENT IS AWARE, AND AS DGB IS PROBABLY AWARE, ALLIES HAVE LONG PERMITTED MANUFACTURE IN BERLIN UNDER ALLIED LICENSING PROCEDURE OF NUMEROUS ITEMS WHICH ARE INCLUDED ON LAW 43 LISTS BUT WHICH HAVE ALSO CIVILIAN USE. WE ARE OF COURSE NOT EAGER TO HAVE A PUBLIC DISCUSSION OF OUR PRACTICES AND CRITERIA.

8. AS A FITTING FINAL WORD, THE DGB ADVISES THE POLITICAL PARTIES OF BERLIN TO CEASE OCCUPYING THEMSELVES MAINLY WITH THEMSELVES, AND TO DEVOTE THE ENERGY THEREBY RELEASED TO SOLVING THE PROBLEMS OF THE CITY. GEORGE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: UNION GOVERNMENT RELATIONS, LABOR UNIONS, URBAN DEVELOPMENT, ECONOMIC TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 02 DEC 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976USBERL02596
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760447-0728
From: USBERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19761277/aaaacost.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: morefirh
Review Comment: n/a
Review Content Flags:
Review Date: 24 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <24 MAR 2004 by morefirh>; APPROVED <06 APR 2004 by morefirh>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BERLIN LABOR UNIONS MAKE PROPOSALS FOR CITY'S FUTURE
TAGS: EALR, ECON, ELAB, WB, DGB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006